

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

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BOARD MEMBERS:

James Albert, Chair
Janet Carl, Vice Chair
Gerald Sullivan
Betsy Roe
John Walsh
Patricia Harper

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD MINUTES JUNE 28, 2007 OPEN SESSION

HELD AT: Jessie Parker Building, 510 East 12th, Des Moines, Iowa

BOARD MEMBERS PRESENT: Jim Albert, Janet Carl, Gerald Sullivan, Pat Harper, and Betsy Roe
by phone

STAFF PRESENT: W. Charles Smithson, Karen Hudson

1. CALL TO ORDER – The meeting was called to order by Chair Albert at 12:04 p.m.
2. APPROVAL OF MINUTES FROM DECEMBER 21, 2006 AND MARCH 2, 2007 – it was moved by Carl and seconded by Harper that the minutes of the December 21, 2006, meeting and the March 2, 2007, meeting be approved with some typographical corrections. Motion carried.
3. ADJOURNMENT TO EXECUTIVE SESSION – At 12:07 p.m. it was moved by Harper and seconded by Roe that in accordance with the provisions of Iowa Code section 21.5, the Board go into executive session to discuss complaints, investigations, and personnel matters. Albert, Carl, Sullivan, Roe, and Harper voted yes in roll call vote.

The meeting returned to Open Session at 1:40 p.m.

4. ACTION FROM EXECUTIVE SESSION – It was moved by Carl and seconded by Harper that the written record of executive session action be made a part of the open record. Motion carried unanimously.

The following executive session action was taken.

John Mauro – It was moved by Sullivan and seconded by Roe to close with a finding of no probable cause to believe that a violation occurred. Motion carried unanimously.

Deb Babb – It was moved by Harper and seconded by Sullivan to issue a letter of reprimand for using state resources for political purposes. Motion carried unanimously.

Tim Brien – It was moved by Carl and seconded by Harper to close with a finding of no probable cause to believe that a violation occurred. Motion carried unanimously.

DOT Contracts – It was moved by Roe and seconded by Sullivan to close with a finding of no probable cause to believe that a violation occurred. Motion carried unanimously.

Dan Gonnerman – It was moved by Harper and seconded by Carl to close with a finding of no probable cause to believe that a violation occurred. Motion carried unanimously.

Lynda Rose – It was moved by Roe and seconded by Sullivan to close with a finding of no probable cause to believe that a violation occurred. Motion carried unanimously.

Dallas County Hospital Board of Trustee Election – It was moved by Carl and seconded by Harper to issue a letter of reprimand to Kris Finn, issue a letter of admonishment to Lori Norton to exercise care in the future, close the investigation concerning the allegations of use of the school sound system, and send an informational letter to the school noting their quick action in correcting this matter and advising them of the need for thorough training of personnel. Roe, Harper, Carl, and Sullivan voted yes. Albert voted no.

Ako Abdul-Samad – It was moved by Roe and seconded by Harper to close with a finding of no probable cause to believe that a violation occurred. Motion carried unanimously.

Use of Iowa Department of Economic Development Resources – It was moved by Sullivan and seconded by Roe to close with no action. Carl, Harper, Sullivan and Roe voted yes. Albert voted no. A letter should be sent to the department director advising the full range of actions it could have taken, but chose not to this time.

Marcus-Meriden-Cleghorn School Bond Committee – It was moved by Harper and seconded by Sullivan to close with a finding of no probable cause to believe the school committed a violation or that the group failed to register or file reports. The group should be directed to place a “paid for by” attribution correction notice. Motion carried.

Alburnett School Bond Committee – It was moved by Roe and seconded by Carl to close with a finding of no probable cause to believe the school committed a violation or that the group failed to register or file reports. The group should be directed to place a “paid for by” attribution correction notice. Motion carried.

A future big picture topic will be whether an attribution correction is sufficient for other situations.

Concerned Citizens of Dallas County – It was moved by Sullivan and seconded by Harper to close with a finding of no probable cause to believe the group failed to register or file reports. Director is directed to send an educational letter to the group about express versus issue advocacy, and recommend the group have the Board review future communications to make sure it is not advocacy. Motion carried.

Washington County Supervisors/County Auditor – It was moved by Roe and seconded by Carl to decline to investigate since the issue was not a “ballot issue” yet for purposes of the campaign finance laws. Motion carried.

Iowa Central Community College Ballot Issue Election – It was moved by Sullivan and seconded by Roe to direct an investigation into misuse of public resources for political purposes. Motion carried.

Mary Gilchrist – It was moved by Sullivan and seconded by Roe to direct an investigation into the allegation of lobbying without being registered or filing reports. Motion carried.

Iowans for Right to Work Committee flyer – It was moved by Carl and seconded by Harper to decline to investigate since Iowa’s lobbying laws do not regulate “grassroots lobbying. Motion carried.

Ar-We-Va School Bond Election – It was moved by Sullivan and seconded by Roe to direct an investigation into the allegation that the group exceeded \$750 without registering. Motion carried.

John Stone and DNR – It was moved by Sullivan and seconded by Roe to direct an investigation to sort out numerous complaints and combine with the current investigation involving Mr. Stone and the DNR the Board is undertaking. Motion carried.

Thomas Zaputil – It was moved by Sullivan and seconded by Roe to direct an investigation that \$750 was exceeded without registering a committee or filing campaign reports. Motion carried.

Brooke Chesney – It was moved by Sullivan and seconded by Harper to decline to investigate further misuse of public resources, decline to investigate “no politics policies” of newspapers since the Board has no jurisdiction, and if there is an issue about the failure to list all contributors, that should be investigated. Motion carried.

Former DAS Employees – It was moved by Sullivan and seconded by Roe to direct an investigation into misuse of public property. Motion carried.

Iowa Liquidity Corporation/Greg Nichols/Iowa Student Aid Commission - It was moved by Sullivan and seconded by Carl to defer the investigation of Greg Nichols and open up communications with the board of regents with respect to the issues concerning their regulations and the parties they regulate. Amendment moved by Roe to ask director to look at the bigger picture of that question of state employees accepting payment for service on outside boards. It was moved by Sullivan and seconded by Carl to include the amendment by Roe. Motion carried.

Joel Miller – It was moved by Sullivan and seconded by Harper to decline to investigate since campaign laws give the media wide latitude on what is printed and not printed, and one “article” was simply the newspaper reprinting what looks like a press release. Motion carried.

No Separate Bank Accounts – It was moved by Roe and seconded by Harper that the following actions be taken and ask the chair and director to bring back a recommendation for a possible rule to deal this situation moving forward. Motion carried.

1. Clifford Sheriff – letter of admonishment
2. Janice Horton – letter of reprimand
3. V Mike Bailey – letter of reprimand
4. Ann Fairchild – letter of reprimand
5. Warren Wubben – letter of reprimand
6. Willard Christensen – letter of admonishment

Gary Randa – It was moved Harper and seconded by Sullivan to issue a letter of reprimand for failing to comply with the accurate reporting under Iowa Code section 68A.402A and a letter of admonishment with the expectation of full compliance in the future if he runs for office. Motion carried.

Greg Stevens – It was moved by Harper and seconded by Roe to issue a letter of reprimand for failing to comply with the accurate reporting under Iowa Code section 68A.402A and a letter of admonishment with the expectation of full compliance in the future if he runs for office. Motion carried.

VSR Forms Not Filed – It was moved by Sullivan and seconded by Harper that the following actions be taken. Motion carried.

1. Iowa Priorities Action Committee – letter of reprimand
2. Property Casualty Insurers Association of America – issue civil penalty as set by Board rule
3. Entwistle & Cappucci – issue a demand letter for the filing of the one-page report

Decatur School Bond Election Flyer – It was moved by Roe and seconded by Harper to conduct an investigation since the flyer was determined to be express advocacy. Albert, Harper, Roe, and Sullivan voted yes. Albert voted no. Motion carried

Tom Caligiuri/Baratta's Café – It was moved by Sullivan and seconded by Carl to conduct an investigation into the allegations of conflict of interest and misuse of public resources. Motion carried.

5. ADMINISTRATIVE ACTION

A. Election of Officers – It was moved by Sullivan and seconded by Harper that the present officers be reelected. Motion carried unanimously. Albert was elected chair and Carl vice chair.

B. Cost of Living Adjustment for Executive Director – It was moved by Carl and seconded by Harper to approve a 3% cost of living increase for the executive director. Motion carried.

6. PROPOSED RULES – It was moved by Roe and seconded by Harper to adopt the proposed rules as drafted. The motion was amended to say adopt without notice. Motion as amended carried.

7. PROPOSED ADVISORY OPINIONS -

A. Prohibited Contribution Mailed during Session/Candidate Receives after Session – It was moved by Roe and seconded by Harper to adopt the draft opinion with Alternative II. Roe, Harper, Carl and Albert voted yes. Sullivan voted no.

B. Application of Corporate Contribution Ban to other Types of Business Entities – It was moved by Roe and seconded by Carl to approve the opinion with typographical correction. Motion carried.

C. Response to RFP/Work on State Project after Termination of State Service – It was moved by Sullivan and seconded by Harper to approve the opinion. Motion carried.

D. Acceptance of Post State Employment – It was moved by Sullivan and seconded by Carl to approve the opinion. Motion carried.

It was suggested by Roe that the Board schedule set meetings in order to address some issues in a more timely fashion.

E. Filing of Schedule G When Payment Made to One Broadcasting Company for Ads – It was moved by Roe and seconded by Harper to approve the opinion as written. Motion carried.

F. Application of Gift Law to 28E Entities – It was moved by Carl and seconded by Sullivan to approve the opinion. Motion carried.

G. Permitted and Prohibited Placement of Campaign Signs/Opinion 2005-07 Modified – It was moved by Sullivan and seconded by Harper to approve the opinion with typographical changes. Motion carried.

8. POLICY DECISIONS FOR THE BOARD TO MAKE

A. Use of Campaign Funds for Membership – It was moved by Harper and seconded by Carl to defer this agenda item. Motion carried.

B. Doug Gross Selling Computer/Mailing List – It was moved by Sullivan and seconded by Roe that more information is needed regarding questions brought up in the audit phase and it should come back to the Board at that time. Motion carried.

C. Meals as Public Service Recognition – It was moved by Harper and seconded by Carl to defer this agenda item. Motion carried.

D. Reporting of Meals – It was moved by Carl and seconded by Roe that an advisory opinion be drafted to provide guidance on what is acceptable and how to report. Motion carried.

E. VSR for Purchase – It was moved by Harper and seconded by Sullivan to defer this agenda item. Motion carried.

F. Identification of PAC Parent Entity – It was moved by Carl and seconded by Harper that director should find out who the parent entity of a PAC is when it is not clear. Motion carried

9. REQUESTS FOR WAIVER OF CIVIL PENALTIES

A. Statewide Committees (Rule 351 IAC 4.60)

1. Citizens to Elect Sandy Greiner – It was moved by Roe and seconded by Harper that the request to waive the civil penalty assessed for a late filed November 3, 2006 report be denied. Motion carried.

2. United Union of Roofers – It was moved by Roe and seconded by Sullivan to waive the civil penalty assessed for a late filed January 19, 2007 report. Motion carried.

3. Iowans for Buschkamp – It was moved by Roe and seconded by Harper that the request to waive the civil penalty assessed for a late filed November 3, 2006 report be denied. Motion carried.

4. MCI Iowa PAC – It was moved by Carl and seconded by Sullivan that the request to waive the civil penalty assessed for a late filed October 19, 2006 report be denied. Motion carried.

5. Business Leadership Council – It was moved by Roe and seconded by Harper to reduce civil penalties assessed for late filed reports to \$70, issue a reprimand, and administrative dissolve the committee. Motion carried.

6. Palmer for State Representative – It was moved by Roe and seconded by Harper to waive the civil penalty assessed for late filed reports. Motion carried.

7. Golden Grain Energy State PAC – It was moved by Roe and seconded by Harper that the request to waive the civil penalty assessed for late filed July 19, 2006, and October 19, 2006 reports be denied. Motion carried.

8. Civil Servants Political Education League – It was moved by Roe and seconded by Harper that the request to waive the civil penalty assessed for a late filed October 19, 2006 report be denied. Motion carried.

B. County/Local Committees (Rule 351 IAC 4.60)

1. Committee to Elect Bahl, Gardiner and Osterholt (Johnson) – It was moved by Sullivan and seconded by Carl to waive the civil penalty assessed for a late filed January 19, 2007 report. Motion carried.

2. Committee to Re-Elect Berenstein (Woodbury) – It was move by Roe and seconded by Sullivan that the request to waive the civil penalty assessed for a late-fled January 19, 2007 report be denied. Motion carried.

3. Pat Brooks for Supervisor (Marshall) – It was moved by Carl and seconded by Sullivan that the request to waive the civil penalty assessed for a late filed October 19, 2006 report be denied. Motion carried.

4. Committee to Elect Brenda Buck Treasurer (Des Moines) – It was moved by Roe and seconded by Sullivan to admonish for late filed statement of organization and that the request to waive the civil penalties assessed for late filed July 19, 2006, and October 19, 2006, reports be denied. Motion carried.

5. Citizens for the Johnson/Grimes Aquatic Facility (Polk) – It was moved by Sullivan and seconded by Carl that the request to waive the civil penalty assessed for a late filed January 19, 2007, report be denied. Motion carried.

6. Dumas for Alderman (Scott) – It was moved by Roe and seconded by Harper to waive the civil penalty assessment for a late filed January 19, 2007 report. Motion carried.

7. Ron Fraise for Supervisor (Lee) – It was moved by Harper and seconded by Sullivan to waive the civil penalty assessed for a late filed January 19, 2007 report. Motion carried.

8. Grow for It Committee (Warren) – It was moved by Roe and seconded by Carl that the request to waive the civil penalties assessed for late filed October 19, 2006 and January 19, 2007 reports be denied. Motion carried.

9. Citizens for Huston (Warren) – It was moved by Sullivan and seconded by Carl to reduce the civil penalty assessed for late filed July 19, 2006 and October 19, 2006 reports and admonish for late filed statement of organization. Motion carried.

10. Lorenger for Supervisor (Crawford) – It was moved by Roe and seconded by Carl to waive the civil penalty assessment for a late filed January 19, 2007 report. Motion carried.

11. Davis County Republican Central Committee – It was moved by Sullivan and seconded by Harper to reduce the civil penalty assessed for a late filed January 19, 2007 report. Motion carried.

12. Gonnerman Election Committee (Story) – It was moved by Sullivan and seconded by Roe to waive the civil penalty assessed for a late October 19, 2006 report. Motion carried.

13. Committee to Elect Van Fossen (Scott) – It was moved by Roe and seconded by Harper to waive the civil penalty assessed for a late-filed January 19, 2007 report and instruct legal counsel to discuss with candidate whether he needs Board assistance. Motion carried.

C. Out of State Committees

1. Ironworkers Local 111 PAC – It was moved by Carl and seconded by Sullivan that the request for waiver of the civil penalty assessed for a late filed VSR be denied. Carl, Sullivan, Albert, and Roe voted yes. Harper voted no.

2. Citizens for Biden – It was moved by Sullivan and seconded by Carl that the requested for waiver of the civil penalty assessed for a late filed VSR be denied. Motion carried.

3. STV Engineers, Inc. PAC – It was moved by Sullivan and seconded by Carl that the requested for waiver of the civil penalty assessed for a late filed VSR be denied. Motion carried.

4. Carpenters' District Council of Kansas City & Vicinity SSF Political Fund – It was moved by Roe and seconded by Harper to waive the civil penalty assessed for a late filed VSR. Motion carried.

5. International Brotherhood of Electrical Workers – It was moved by Sullivan and seconded by Carl that the requested for waiver of the civil penalty assessed for a late filed VSR be denied. Motion carried.

6. Golden Grain Energy – It was moved by Sullivan and seconded by Carl that the requested for waiver of the civil penalty assessed for a late filed VSR be denied. Motion carried.

D. Lobbyists/Clients (Rule 351 IAC 8.12) – It was moved by Carl and seconded by Sullivan that the following actions be taken. Motion carried.

1. Paula Feltner – Waive
2. Steve Gunson – Uphold
3. George Maurer – Uphold
4. Beth Myers – Uphold
5. Kristin Clark Nolan – Waive
6. Sarah Gray Ramsen – Uphold
7. William R. Peterson – Uphold
8. David Vestal – Uphold
9. Linda Hinton – Uphold
10. John Easter – Uphold
11. Jay Syverson – Uphold
12. Deborah Westvold – Uphold
13. Daniel Anderson – Uphold
14. Christopher Godfrey – Uphold
15. Barbara Tapscott – Uphold
16. David G. Neil – Uphold

E. Personal Financial Disclosures (Rule 351 IAC 7.6)

1. Randy Duncan – It was moved by Harper and seconded by Sullivan to waive the civil penalty assessment for a late filed personal financial disclosure. Harper, Sullivan, Albert, and Roe voted yes. Carl voted no.

10. VIOLATIONS

A. Attribution Statement Violations (Iowa Code section 68A.405) – Correction advertisement information was received from the following:

1. Friends of Polly Glascock
2. Granzow for State House
3. Kelly Lewiston
4. Miller for Auditor (Linn)
5. Steve Holland

B. Late filed Statements of Organization (Iowa Code section 68A.201) – It was moved by Sullivan and seconded by Carl that letters of admonishment be sent to the following for late filed Statements of Organization. Motion carried.

1. Committee to Elect John Arnold (Appanoose)
2. Committee to Elect V. Mike Baley Sheriff (Van Buren)
3. Davisson for Supervisor (Clinton)
4. Ford for Supervisor (Ringgold)
5. Kern for Jasper County Attorney (Jasper)
6. Sitzmann for Supervisor (Plymouth)
7. Re-Elect Willey Supervisor (Jackson)
8. Warren "Willie" Wubben for Supervisor (Winnebago)
9. Friends of Poweshiek Extension (Poweshiek)
10. Vote Yes for ICC (Johnson)
11. Voters Organized to Educate Our Kids (Ringgold)
12. Maxine Bussanmass for State Representative
13. Hoogtestraat for Senate
14. Nolte for Iowa Committee

C. Late filed Notice of Dissolution (Iowa Code section 68A.402B) – It was moved by Roe and seconded by Harper that a letter of admonishment be sent to the following for a late filed Notice of Dissolution. Motion carried.

1. Ro Frascht for City Council (Pottawattamie)
2. Morrison for Supervisor (Muscatine)
3. LOSST Commission (Cedar)
4. Brunkhorst for Senate
5. Citizens for Coppock
6. Peterson for Our People
7. Randa for Senate

D. Late filed Lobbyist Registration (Iowa Code section 68B.36) – It was moved by Carl and seconded by Harper that a letter of admonishment be sent to the following for a late filed lobbyist registration. Motion carried.

1. Dennis Murdock
2. Cloyd Robinson
3. Dr. Beverly Simone

DELINQUENT FILERS – It was moved by Sullivan and seconded by Carl to direct legal counsel to review delinquent filers of the January 19, 2007 disclosure report and make a determination on which ones can be disposed of using the Board's administrative resolution process and which ones need to be set for hearing. Motion carried.

11. ITEMS OF BOARD INTEREST NOT NEEDING ACTION

- A. Income Tax Check off Reports – Received for information; no action taken.

NEW BUSINESS

Carl remarked that she had received a call from a professor doing research on tobacco contributions and legislation that came out of that particular session. He said that when he tried to find the archival information about campaign contributions, he discovered they had been destroyed and he was irked because he could not get his research done. He had a conversation with Director Smithson who said that when we moved, a lot of those records from early 1980's were destroyed based on our statutes of 5-year retention and we were not aware that there was another statute in a different chapter that said we were supposed to turn those over to the state archives. We were able to help him with some records, but not all. It should be noted that we acknowledge the problem and it will not happen again. From this point forward, records will be turned over to archives.

After the phone meeting earlier this year where the Board did not act on advisory opinion, Carl received phone calls from several sources. Her question concerns whether it is okay for Board business to be discussed with members outside of Board meetings. Albert suggested that it should not be discussed when on an adjudication level, but that it is okay for "educational" information gathering about an issue.

Roe suggested that a separate meeting be held that is focused on big picture items.

Carl suggested that the Board meet a minimum of four times a year at scheduled times and others as necessary. It was suggested that Director Smithson propose an annual meeting schedule.

The meeting adjourned at 3:30 p.m.

Respectfully submitted,



Karen Hudson
Secretary